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# Internal Audit of WFP's Nutrition Activities

Office of the Inspector General  
Internal Audit Report AR/20/08

February 2020





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# Internal Audit of WFP's Nutrition Activities

## I. Executive Summary

### Objective and scope of the audit

1. As part of its annual work plan, the Office of Internal Audit conducted an audit of WFP's nutrition activities. The objective of the audit was to provide assurance on the effectiveness of internal controls, governance and risk management processes related to this programmatic focus area.
2. WFP's Strategic Plan (2017–2021) includes "improve nutrition" as one of its five strategic objectives, and refers to nutrition as prominently as it does to the organization's traditional area of competence, food security. The current Nutrition Policy, approved by the Executive Board in early 2017, draws from lessons learned from the evaluation (published in 2015) of the previous Nutrition Policy. The Policy aims to leverage WFP's support to achieving zero hunger (Sustainable Development Goal 2) and to strengthening global partnerships (Sustainable Development Goal 17) by ensuring *availability of, access to, demand for and consumption of diets that comprehensively meet – but do not exceed – the nutrient requirements of nutritionally vulnerable groups*.
3. The audit period was therefore defined by WFP's policy objective to shift in focus from products to diets, whereby nutrition-specific activities encompass both treatment and prevention; pay special attention to the first 1,000 days (children aged 6–23 months and pregnant and lactating women); and place a renewed focus on the right food and nutrients. With this shift, further emphasis was foreseen to ensure that WFP interventions in general are nutrition-sensitive.
4. The Nutrition Policy acknowledges that addressing the complex drivers of malnutrition requires collaboration among diverse sectors and stakeholders, and intensified work to scale up nutrition-specific and sensitive programmes at the country level. This is echoed by research and publications from nutrition fora in which also WFP participates, which highlight that despite increasing commitments from governments to address malnutrition, progress towards set goals has been slow and has not spread across all forms of malnutrition, also because financing of the nutrition agenda remains a challenge.
5. The audit scope covered current processes and practices as introduced by the 2017 Nutrition Policy, the related Implementation Plan and other guidance issued by the Nutrition Division. These were reviewed during visits to a number of country offices, leveraging where possible audits included in the Office of Internal Audit's 2019 work plan: Ethiopia, Niger, Pakistan, Peru, Sri Lanka, Uganda and Yemen. The audit was conducted in conformance with the *International Standards for the Professional Practice of Internal Auditing*.

### Audit conclusions and key results

6. Based on the results of the audit, the Office of Internal Audit has come to an overall conclusion of **partially satisfactory / some improvement needed**. The assessed governance arrangements, risk management and controls were generally established and functioning well but needed improvement to provide reasonable assurance that the objectives of the audited entity/area should be achieved. Issue(s) identified by the audit were unlikely to significantly affect the achievement of the objectives of the audited entity/area. Management action is recommended to ensure that identified risks are adequately mitigated.
7. Overall, the Office of Internal Audit found that WFP needs to better capture and communicate its nutrition-related efforts and deliverables and demonstrate WFP's added value to break a vicious cycle of underfunding, which has resulted in missed opportunities to improve the availability of, access to, and demand for safe and nutritious foods as outlined in the 2017 Nutrition Policy. Considering the nutrition funding landscape, such efforts need to focus on attracting new non-traditional donors.



8. In line with funding trends<sup>1</sup>, WFP management has actively worked on both repositioning and offering innovative approaches to address different causes of malnutrition. This has involved attracting new sources of financing, as well as identifying options for streamlining and coordination of tested solutions in collaboration with United Nations and other multi-sectoral partners, with the aim of reducing competition for limited traditional resources.

9. This assignment identified process and control weaknesses outlined in seven observations, two of which were assigned high-priority actions. These weaknesses have contributed to under-reporting of WFP's delivery in combatting malnutrition, and in several instances also resulted in under-performance of WFP's nutrition activities. Several of the observations relate to findings raised by the Office of Internal Audit in preceding audit reports, notably the Integrated Road Map Pilot Phase in WFP (AR/18/05), Monitoring in WFP (AR/18/11) and Country Capacity Strengthening (AR/16/14). This highlights the need for WFP to further adapt internal processes and controls to deliver on the 'changing lives' objective as efficiently and effectively as it does for the 'saving lives' objective. This is in the process of being addressed by WFP management.

10. For WFP's nutrition activities it was noted that, despite efforts directed at design improvements for nutrition programmes<sup>2</sup>, weaknesses were identified in design approval controls and in the financial and performance information architecture. These weaknesses resulted in information and workforce structures that were not always adequate to facilitate programme delivery and reporting.

11. Reporting of and advocacy for WFP's direct and indirect contributions to improving availability of, access to, and demand for safe and nutritious foods was negatively affected by an immature monitoring and evidence generation framework, which did not support the capture of WFP's contribution to partner results. Inadequate advocacy tools and the lack of an overarching communication plan on WFP's role and contribution to combatting malnutrition in all its forms also presented challenges in this area. Further management action is required to continue the culture change and strengthen the matrix organization in order for support functions such as WFP's supply chain and other programme lines to play a critical role in advancing WFP's nutrition-specific and nutrition-sensitive objectives.

## Actions agreed

12. Management has agreed to address the reported observations and work to implement the agreed actions by their respective due dates.

13. The Office of Internal Audit would like to thank managers and staff for their assistance and cooperation during the audit.

**Kiko Harvey**  
Inspector General

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<sup>1</sup> Given that traditional official development assistance does not match funding needs, new financing opportunities arise from growing (host) government spending on nutrition and emerging new donors and alliances  
<https://scalingupnutrition.org/share-learn/planning-and-implementation/the-global-financing-landscape-for-nutrition/>.

<sup>2</sup> Notably new comprehensive assessment tools focused on nutrient gaps and costs of diet, and skills enhancements achieved through staffing augmentation at country level, knowledge management efforts and new learning opportunities, including for partners.



## II. Context and scope

### Nutrition

14. Nutrition is considered both an input and output of several Sustainable Development Goals (SDGs). With the adoption of the 2030 Agenda, the interconnected nature of the SDGs clearly recognizes the need for integrated, multi-sectoral approaches that leave no one behind and reach those furthest behind first. Platforms for global nutrition governance and support to country-level action are providing the basis for coordinated multi-stakeholder engagement in nutrition. These platforms include the United Nations (UN) Standing Committee on Nutrition; the Committee on World Food Security (CFS); the Scaling Up Nutrition (SUN) movement, including the UN Network for SUN, the SUN Business Network, the SUN Civil Society Network and regional and national platforms; and the Global Nutrition Cluster for facilitating multi-sectoral coordination in humanitarian crises and links to national platforms for emergency preparedness.

15. Specific international commitments to reduce malnutrition<sup>3</sup> include the Rome Declaration on Nutrition; the Second International Conference on Nutrition Framework for Action; the Nutrition for Growth compact; and the UN General Assembly resolution on the Decade of Action on Nutrition. The latter is a commitment by UN Member States to undertake ten years of sustained and coherent implementation of policies, programmes and increased investment to eliminate malnutrition in all its forms, everywhere, leaving no one behind<sup>4</sup>.

16. Despite reconfirmed commitments, the State of Food Security and Nutrition in the World 2019 report<sup>5</sup>, highlights that, if current trends continue, neither the 2030 SDG target to halve the number of stunted children nor the World Health Assembly's target to reduce the prevalence of low birthweight by 30 percent by 2025 will be met. Trends of overweight and obesity also continue to rise in all regions, particularly among school-age children and adults. Official development assistance to address all forms of malnutrition is reported as remaining "unacceptably low"<sup>6</sup>.

### WFP's nutrition activities

17. The WFP Strategic Plan (2017–2021) includes "improve nutrition" as one of its five strategic objectives (SOs) and refers to nutrition equally as prominently as it does to the organization's traditional area of competence, food security. To enable the organization to achieve SO2, WFP's Executive Board approved in 2017 the current Nutrition Policy (WFP/EB.1/2017/4-C<sup>7</sup>), which provides the framework for WFP's commitment to support governments' efforts to end malnutrition in all its forms. The Nutrition Policy is accompanied by a costed Implementation Plan

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<sup>3</sup> In WFP referred to as acute malnutrition, chronic malnutrition, micronutrient deficiencies, and overweight and obesity:

**Acute malnutrition**, also known as **wasting**, develops as a result of recent rapid weight loss or a failure to gain weight. In children, it is assessed through the weight-for-height (WFH) nutritional index or mid-upper arm circumference (MUAC). In adults, it is assessed through body mass index (BMI) or MUAC. Acute malnutrition is also assessed using the clinical signs of visible wasting and nutritional oedema. The degree of acute malnutrition in an individual is classified as either moderate or severe (MAM or SAM).

**Chronic malnutrition**, also referred to as **stunting**, develops over a long period as a result of inadequate nutrition, repeated infections or both. It is measured by the height - for - age (HFA) index and manifested by a child under the age of five being too short for his/her age. Unlike wasting, stunting develops through a slow cumulative process and may not be evident for some years. Chronic malnutrition cannot generally be reversed or treated, but it can be prevented.

**Micronutrient deficiency disease (MND)** is a clinical disease caused by a lack of intake, absorption or utilization of one or more essential vitamins or minerals.

**Overweight and obesity** are defined as abnormal or excessive fat accumulation that may impair health. The BMI is a simple measure of weight-for-height that is commonly used to classify overweight and obesity in adults. High BMI is a major risk factor for non-communicable diseases. Overweight and obesity may co-occur with micronutrient deficiencies, which are also linked to poor diets.

<sup>4</sup> <https://www.un.org/nutrition/>

<sup>5</sup> <https://www.wfp.org/publications/2019-state-food-security-and-nutrition-world-sofi-safeguarding-against-economic>

<sup>6</sup> <https://globalnutritionreport.org/reports/global-nutrition-report-2018> (refer to [section](#) on financing & commitments)

<sup>7</sup> <https://docs.wfp.org/api/documents/WFP-0000037221/download/>

(WFP/EB.A/2017/5-C<sup>8</sup>) that provides guidance on nutrition priorities for the organization (improving the management of acute malnutrition, preventing stunting, aligning WFP actions with national plans for nutrition and working on nutrition in partnership, from the field to the global level) and programme archetypes to help inform quality design and regional support.

*“To get to zero hunger, food is not enough. Providing food assistance in an emergency saves lives, but the right nutrition at the right time can change lives and allow people and countries to reach their full potential. This is why, as the leading humanitarian organization saving lives and changing lives, the World Food Programme (WFP) prioritizes nutrition as a core element of its work.”*  
[wfp.org/nutrition](http://wfp.org/nutrition)

18. The Nutrition Policy aims to leverage WFP’s support to reaching SDG 2 and SDG 17 by ensuring the availability of, access to, demand for and consumption of diets that comprehensively meet – but do not exceed – the nutrient requirements of nutritionally vulnerable groups (see Annex D – ).

19. The shift in focus from products to diets followed the 2015 Policy Evaluation of WFP’s 2012 Nutrition Policy (OEV/2014/22). The Policy Evaluation concluded that the 2012 Nutrition Policy was overambitious in its implied targets for expansion of WFP nutrition programmes; that some of its prescriptions and recommendations were not adequately supported by evidence; and that financing and staffing were major constraints to fulfil the Policy’s ambition. The Policy Evaluation judged that product-focused interventions – even if effective – were unlikely to be sustainable for uptake by national governments in the long term.

20. With the aim of providing the right food to the right people at the right time, the 2017 Nutrition Policy foresees shifting WFP’s programme approach from treatment to treatment and prevention; it pays special attention to the first 1,000 days (children 6–23 months and pregnant and lactating women); has a renewed focus on the right food and the right nutrients; and aims to address this not only through nutrition-specific activities, but also by further emphasizing the need to ensure that WFP interventions in general are nutrition-sensitive.

21. Food systems have been a focus of research and publications<sup>9</sup> in 2019 due to their potential to nurture human health and support environmental sustainability, while also contributing to the climate crisis. This research highlights the criticality of the contribution WFP could make with its areas of expertise and focus of interventions outlined in the 2017 Nutrition Policy.

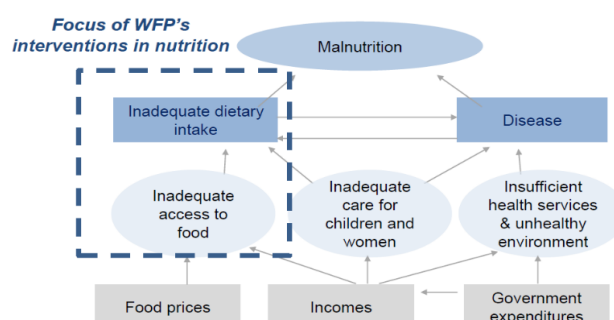


Figure 1: Unicef framework in use by WFP for coordinating partnerships

22. Coordinated partnerships are essential for achieving cross-sector synergies and realizing the complex and interlinked goals related to ending malnutrition in the current funding environment. These partnerships are a cornerstone of WFP’s engagement in nutrition. The Nutrition Policy recognizes that addressing complex drivers of malnutrition requires collaboration among diverse sectors and stakeholders, and intensified work to scale up nutrition-specific and sensitive programmes at the country level.

<sup>8</sup> <https://docs.wfp.org/api/documents/WFP-0000037595/download/>

<sup>9</sup> [EAT Lancet](#) (first of a series of initiatives on nutrition led by The Lancet in 2019, followed by the Commission on the Global Syndemic of obesity, undernutrition and climate change); [State of the World’s Children 2019](#) (Unicef’s 2019 edition of its flagship report examines the issue of children, food and nutrition, seeing at the centre of this challenge a broken food system that fails to provide children with the diets they need to grow healthy); [Nutrition and Food Systems](#) (a 2017 report by the High Level Panel of Experts on Food Security and Nutrition of the Committee on World Food Security [CFS], Rome, informing [Voluntary Guidelines on Food Systems and Nutrition](#) to be presented for endorsement at the CFS Plenary Session in October 2020).

## Objective and scope of the audit

23. The objective of the audit was to provide assurance on the effectiveness of internal controls, governance and risk management processes related to WFP’s nutrition activities. The Office of Internal Audit (OIGA) reviewed how WFP’s Nutrition Policy informs programmes (nutrition-specific and nutrition-sensitive); how outcomes and impacts are monitored; and how evidence is generated and disseminated. Such audits are part of the process of providing an annual and overall assurance statement to the Executive Director on governance, risk management and internal control processes.

24. The audit was carried out in conformance with the *Institute of Internal Auditors’ International Standards for the Professional Practice of Internal Auditing*. It was completed according to an approved engagement plan and took into consideration the risk assessment exercise carried out prior to the audit. The audit scope covered current processes and practices as introduced by the 2017 Nutrition Policy, the related Implementation Plan and other guidance issued by WFP’s Nutrition Division (NUT). These aspects were reviewed during visits to a number of country offices (COs), leveraging where possible audits included in OIGA’s 2019 work plan. The COs visited were Ethiopia, Niger, Pakistan, Peru, Sri Lanka<sup>10</sup>, Uganda and Yemen.

25. The selection of COs visited for the audit fieldwork provided a spectrum of diverse contexts (crisis-response to government capacity strengthening) and types of activities (from treatment to prevention; addressing wasting, stunting, micro-nutrient deficiencies as well as obesity; involving diverse interventions from food distributions to social behavioural change communication [SBCC]). Audit fieldwork was also conducted at WFP headquarters, involving both NUT and other corporate services with a direct impact on the delivery of nutrition activities.

26. Guided by the following lines of enquiry (Figure 2), OIGA tested the existence and functioning of controls and risk management efforts along the programme cycle, for both nutrition-specific and nutrition-sensitive activities, to provide assurance on whether the design and implementation of controls were adequate for the programmatic shifts introduced by the 2017 Nutrition Policy.

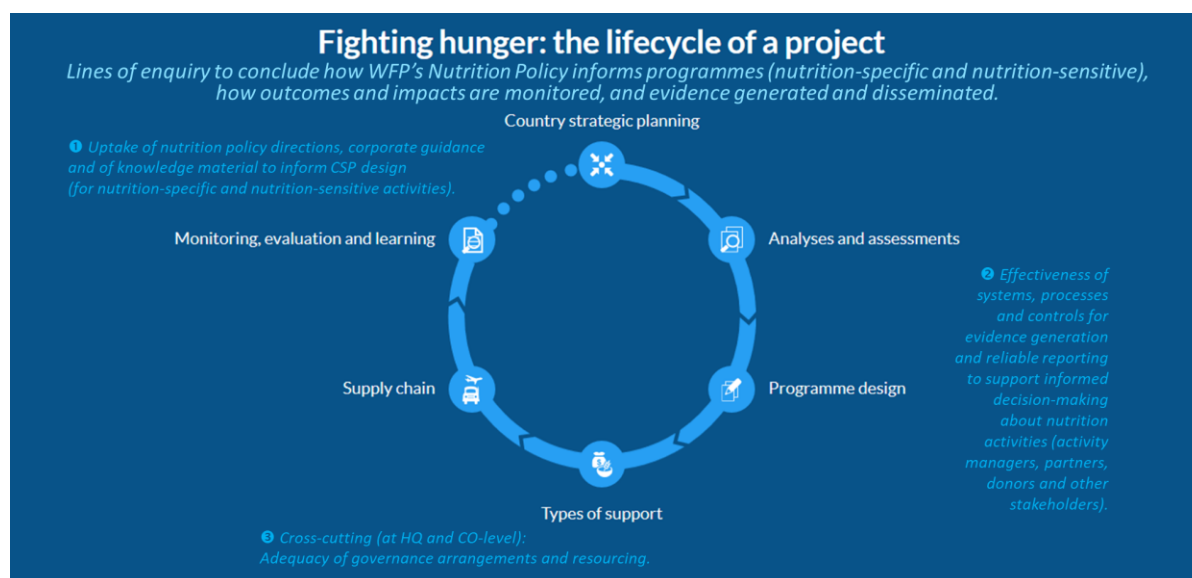


Figure 2: Lines of enquiry (focus areas of audit testing)

27. Any audit findings to be specifically addressed by COs were shared through CO audit reports and related debriefs. This audit also identified a number of issues impacting the delivery of nutrition activities that had been raised in earlier audit reports (such as the audits of Beneficiary Management [AR/17/17], Country Capacity Strengthening [AR/16/14 and related 2018 follow-up report] and Food Procurement [AR/19/05]). These issues and

<sup>10</sup> Sri Lanka was visited exclusively for the Nutrition Audit.



related actions were under implementation at the time of audit and, unless requiring an additional or adjusted action for nutrition activities, are not repeated in this report.

28. OIGA's 2019 work plan included a separate audit of WFP's risk management approach to food quality and safety risks (AR/19/20) and an audit of the governance of IT-enabled projects in WFP (AR-19-23), which among other aspects looked into the development of SCOPE CODA. Observations of relevance for WFP's nutrition activities published in these reports are not duplicated here.

## III. Results of the audit

### Audit work and conclusions

29. The audit work was tailored to the objectives set by the 2017 Nutrition Policy and risks that were assessed as possible challenges to progress in the policy direction, taking into account both NUT and corporate risk registers, findings of WFP's second line of defence functions, and based on an audit risk assessment workshop during the planning phase incorporating an internal pre-planning review.

30. Based on the results of the audit, the Office of Internal Audit has come to an overall conclusion of **partially satisfactory / some improvement needed**<sup>11</sup>. The assessed governance arrangements, risk management and controls were generally established and functioning well but needed improvement to provide reasonable assurance that the objectives of the audited entity/area should be achieved. Issue(s) identified by the audit were unlikely to significantly affect the achievement of the objectives of the audited entity/area. Management action is recommended to ensure that identified risks are adequately mitigated.

### Gender maturity

31. In supporting WFP management efforts in the area of gender, OIGA separately reports its assessments or gaps identified in this area.

32. Recognizing a strong link between gender equality and the nutrition status of women and children, the Nutrition Policy aims for *gender-sensitive nutrition analysis and programme design for all forms of malnutrition, incorporating nutrition-sensitive activities in all WFP programme areas, including strategies for reaching particularly vulnerable groups*. The audit reviewed nutrition-specific and nutrition-sensitive activities noting that nutrition-specific activities, especially when well-designed and funded under SO2 (refer to Observation 1); well-linked to government systems and ways of operating; and when well-integrated in combined programmes with a strong protection and resilience component, captured relevant information at individual beneficiary level to facilitate qualitative reporting on the gender results achieved. Several programmes included gender-transformative SBCC, and new assessments such as the Fill the Nutrient Gap (FNG) facilitated the identification of particularly vulnerable groups.

33. The percentage of female staff occupying positions marked in WFP's WINGS system as part of the functional area of nutrition increased from 63 to 67 percent between 2018 and 2019.

### Assurance statement

34. WFP uses first-line management certifications whereby all directors, including country and regional directors, must confirm through annual assurance statements whether the system of internal controls for the entity under their responsibility is operating effectively. At a consolidated level, assurance statements are intended to provide a transparent and accountable report on the effectiveness of WFP's internal controls. The audit reviewed the annual assurance statement for 2018 completed by NUT and compared the assertions in the statement with the audit findings.

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<sup>11</sup> See Annex B for definitions of audit terms.





35. The review indicated that NUT management did not report any significant gaps in the design, implementation and operating effectiveness of internal controls, submitting an assurance statement predominantly covering headquarters resources and processes.

36. The following areas were known to be weak, were listed in risk registers and were actively managed with WFP Senior Management involvement, yet were not captured in the 2018 consolidated assurance statement: skill shortages/mismatches; insufficient funding and donor agreements; fiduciary concerns; and the impact of fraud and corruption or non-adherence to quality standards impacting WFP’s delivery in the area of nutrition. The process has been revised for 2019.

### Observations and actions agreed

37. Table 1 outlines the extent to which audit work resulted in observations and agreed actions. These are classified according to the areas in scope established for the audit and are rated as medium or high priority; observations that resulted in low priority actions are not included in this report.

**Table 1: Overview of areas in scope, observations and priority of agreed actions**

**Priority of issues/agreed actions**

<b>A: Governance and structure</b>	
1. Nutrition activities poorly reflected in financial and performance information architecture	High
2. Need to align staffing structures and workforce planning to in-country complexities	Medium
<b>B: Delivery</b>	
3. Weaknesses in corporate tools and processes for delivering in partnership	Medium
4. Improvements required to frameworks for evidence generation and reporting	High
<b>C: Resource management</b>	
5. Adaptations to resource management practices and tools required	Medium
<b>D: Support functions</b>	
6. Supply chain support to Nutrition Policy objectives	Medium
<b>E: External relations, partnerships and advocacy</b>	
7. Inadequate tools and templates for nutrition reporting and advocacy	Medium

38. The seven observations of this audit are presented in detail below.

39. Management has agreed to take measures to address the reported observations.<sup>12</sup> An overview of the actions to be tracked by internal audit for implementation, their due dates and their categorization by WFP’s risk and control frameworks can be found in Annex A.

<sup>12</sup> Implementation will be verified through the Office of Internal Audit’s standard system for monitoring agreed actions.

## A: Governance

40. With consideration of the operating context and the programmatic shifts foreseen by the 2017 Nutrition Policy, the audit reviewed the effectiveness of internal cross-divisional coordination and the mechanisms in place to collaborate with other actors. Recognizing the wealth of new corporate guidance developed at headquarters, the uptake of the policy direction, processes and tools to facilitate the delivery of both nutrition-specific and nutrition-sensitive activities was tested and structures were reviewed for their adequacy to support programmatic priorities. Noting the constrained funding environment, structures and governance mechanisms were also reviewed to ensure effective prioritization of efforts.

41. Overall, the audit noted that at country level staffing structures for nutrition had improved with a number of fixed-term positions created and/or upgraded, allowing for better participation in decision making internally and in collaboration with partners. Furthermore, cross-divisional coordination between different programme areas and supply chain and food quality and safety experts was observed at headquarters and country level, albeit to varying degrees. The audit found that in an area where 'business as usual' will not lead to the achievement of the Agenda 2030 goals, WFP's leadership had facilitated innovative approaches with related research conducted for evidence generation. There was growing management support for integration (several Country Strategic Plans [CSPs] reviewed aimed at offering multi-sectoral packages of assistance through national systems) and simplified and coordinated approaches were encouraged. There was support for the different regional approaches (archetypes), and WFP's offerings clearly focused on country priorities, with FNG and other new analyses informing programme design.

42. It had been anticipated that WFP's nutrition activities would benefit from the Integrated Road Map (IRM) organizational changes. Aiming to better link resources to results, the IRM introduced corporate activity categories for nutrition treatment and nutrition prevention. WFP's Strategic Plan 2017–2021 with its Corporate Results Framework (CRF) aims to provide a clear linkage to SDG target 2.2 "No one suffers from malnutrition". In addition, where in place, matrix-type organizational structures and dedicated outcome or activity managers (as foreseen by the IRM) facilitate advancement of the nutrition agenda.

### Observation 1: Nutrition activities poorly reflected in financial and performance information architecture

43. Notwithstanding the anticipated benefits of the IRM organizational changes referred to above, the audit observed that WFP's funding situation and information architecture resulted in nutrition activity efforts not being adequately captured in WFP's financial and programme management systems. With the aim of capturing activities beyond the stand-alone corporate activity categories (not always used to label nutrition efforts in CSPs), tagging of nutrition activities was introduced in COMET for nutrition beneficiaries and transfers. While the eight tags available in COMET allow the identification of nutrition beneficiaries in other non-nutrition-specific activities, this is not mirrored on the financial side, which is a major cause of the financial framework's inability to match nutrition expenditure to beneficiaries. Opting against stand-alone nutrition activities affected activity costing and budget management (including budget templates in field level agreements, refer to Observation 5), limiting WFP's ability to use corporately available financial information for meaningful cost analyses.

44. In response to the challenging funding environment for nutrition, and despite negotiation efforts, resources received for CSP implementation were generally earmarked with SO1 – often the only outcome labelled as the focus area 'crisis response' – which was regularly better funded than WFP's other SOs. To tap into available funding or to simplify operational management of blended/coordinated programmes, nutrition efforts were often amalgamated with other activities (mostly with general food distribution [GFD] under SO1 or labelled as a capacity strengthening activity) and thus not necessarily located under the SO2 line of sight. Classification as a sub-activity and reliance on tagging in COMET did not provide adequate visibility and led to challenges in monitoring and evaluation (M&E) and reporting (refer to Observations 4 and 7).

45. Furthermore, WFP's approach to programmatic performance reporting through the CRF, which is focused on achievements that are fully attributable to WFP (aggregated views on beneficiaries reached and tonnage



distributed), tied monitoring and reporting resources without allowing for the building of a meaningful evidence base for WFP's varying country-specific roles in nutrition which would be required to attract new donors. Challenges with double-counting and the definition of Tier 2 and Tier 3 beneficiaries limited reporting of WFP's contribution to the results of others in the area of nutrition. As a consequence of how lines of sight in CSPs are designed, this also resulted in under-reporting not only of WFP's efforts and results of nutrition-specific interventions but, even more so, of those that were nutrition-sensitive.

46. Beyond under-reporting of efforts and results, the amalgamation of activities was observed to have negatively impacted the quality of controls (refer to Observations 4 and 6) and respective oversight.

Underlying cause(s): Information architecture not well used because of funding constraints; information architecture not easing aggregation, cost analysis and result reporting of WFP's nutrition-specific and nutrition-sensitive interventions.

**Agreed Actions** [High priority]

The Programme Division (PD) will ensure, in the development of guidance and templates for the preparation of second generation CSPs, further clarity with respect to line of sight and discourage activity bundling that may limit visibility of nutrition-specific and nutrition sensitive activities.

**Timeline for implementation**

31 January 2020

**Observation 2: Need to align staffing structures and workforce planning to in-country complexities**

47. While headquarters and Regional Bureaux (RBs) shared workforce planning strategy documents and demonstrated ad hoc efforts, including a structured surge deployment capability for emergencies, no controls were in place to ensure that during programme design and implementation the complexity of nutrition activities in CSPs and operating environments were matched with adequate skill-sets, staffing grades/contract types and reporting lines/organigramme structures. The audit identified this as a cross-functional requirement, both for specialized nutrition staff (to ensure the right level of expertise in nutrition, i.e. skills on emergency response, fortification or private sector engagement, etc.) and for support functions, who may require nutrition-specific expertise and/or oversight by specialised nutritionists to meet programme requirements (refer to Observation 5).

48. In the sample countries visited, skills mismatches/inadequate staffing structures impacted the quality of operational delivery and/or WFP's credibility with partners, which resulted from:

- reassignment decisions without consideration of the criticality of nutrition profiles;
- long-lasting professional staff vacancies (additional support from RBs could not ensure regular attendance at inter-agency and donor meetings) and/or junior staff, focal points or consultants representing WFP, not allowing for sufficient voice both internally and with partners, especially when representing WFP on nutrition without appropriate briefings or training, as was often observed to be the case for national partnerships officers; and
- inadequate cross-functional collaboration between nutritionists and donor relations, M&E, supply chain and other more specialized roles, such as food technologists, to leverage opportunities to sustainably improve the availability of, access to, and demand for safe and nutritious foods with nutrition-specific and nutrition-sensitive activities. This was noted in instances where there was a lack of CO management support for this culture change or insufficient technical surge in areas for which COs could not afford a staffing complement (refer to Observation 5).



49. Staffing and structure needs depended not only on the type and complexity of the activities foreseen in CSPs, but also on the overall nutrition landscape and its actors, which are diverse in different country contexts. While the audit noted efforts to streamline strategic partnerships (with corporately negotiated protocols available or under negotiation), these were not necessarily clear and understood beyond nutrition staff. Despite many best-practice examples of collaboration at ground level, there was a risk of competition for funds among UN agencies and international non-governmental organizations (INGOs).

Underlying cause(s): Staffing levels and reporting lines dependent on funding availability and remaining at the discretion of Country Directors; insufficient visibility at the design stage of in-country nutrition landscape (no mandatory stakeholder mapping).

**Agreed Actions** [Medium priority]

(a) NUT will:

- i. Finalize the draft NUT workforce planning strategy and implement it in coordination with RBs and COs;
- ii. Define normative guidance on minimum nutrition workforce structures/staffing levels for different contexts, with due consideration of how expertise can be ensured, including by pooled resources operating out of RBs and by further coordinating with partners, for which COs should be tasked to draw and maintain stakeholder maps; and
- iii. Liaise with HR on how this guidance can be fed into Country Director induction and other training programmes, and to inform and monitor focal point nominations, recruitment and/or reassignment decisions;

(b) PD, in coordination with Enterprise Risk Management (ERM) and the Corporate Planning and Performance Division (CPP), will ensure that the performance planning and risk tools designed for COs effectively monitor the maintenance of minimum advised workforce structures, including for nutrition where appropriate, with related challenges flagged through regular risk monitoring processes.

**Timelines for implementation**

(a) 30 September 2020

(b) 30 September 2020



## B: Delivery

50. The audit performed tests and reviews to ensure that programme implementation controls adequately supported the delivery of nutrition-specific and nutrition-sensitive activities. Special attention was given to the utilization of assessments and M&E results to prioritize WFP's efforts, and to the adequacy of tools to ensure coordinated partnerships. These partnerships are considered essential for achieving cross-sector synergies and for realizing the complex and interlinked goals related to ending malnutrition in the current funding environment, highlighted as a cornerstone of WFP's engagement in nutrition.

51. The audit noted investment in comprehensive assessments of in-country needs specific to nutrition. It was particularly noted that the FNG analysis as a complementary tool (adding to the Zero Hunger Strategic Reviews) not only informed WFP's positioning and deliverables, but more importantly facilitated multi-stakeholder discussions, if effectively linked to such fora in-country. Government, other UN actors, civil society and private sector representatives that OIGA met during the audit acknowledged that WFP played an important facilitator and convenor role, enabling others to deliver (whether by creating platforms, such as by co-leading the SUN Business Network, or by facilitating or protecting the work of others, e.g. by distributing protective rations).

52. Appreciation was also expressed for WFP's deep field presence, which in several activities was observed to support local government and non-state actors with quality assurance over, or strengthening of, supply chains or M&E capacities. While collaboration, especially at working level, was the modus operandi aspired to, it required CO initiative to adjust corporate processes and controls. For example, one CO visited fostered strategic partnerships with local and international NGOs through three-year framework agreements with lead and co-lead partners.

### Observation 3: Weaknesses in corporate tools and processes for delivering in partnership

53. The use, or alignment, of WFP's nutrition activities with national planning cycles, Humanitarian Response Plans (including the leveraging of clusters), United Nations Sustainable Development Cooperation Frameworks (UNSDCF) and other forms and mechanisms of coordination with other actors depended on efforts at CO level. Corporate approaches and tools to achieve efficiency in collaboration with others (ensuring clear roles and responsibilities, and mechanisms to share risks and resources) were not well defined for WFP's diverse partners in the area of nutrition, both in emergency and development settings.

#### *Field-level agreements (FLA) with cooperating partners (CPs)*

54. While the FLA contract is comprehensive, the audit noted that the already heavy framework was not always well adapted to donor stipulations and requirements that needed to be shared with CPs. This has potentially adverse consequences for the quality of reporting and/or programme delivery. More importantly, the audit noted delays in FLA negotiations, putting continuous treatment at risk. At the corporate level, direct sourcing was seen as an exception from the rule; however, to implement the simplified protocol with Unicef (and under other, yet to be defined, conditions for integrated multi-stakeholder nutrition programmes) this needs to be a standard procedure. In light of the need to attract new donors and ensure effective results-based management, including for innovative approaches and new ways of delivering, flexibility in negotiating agreements with CPs is key to WFP's delivery in the area of nutrition.

#### *Memoranda of Understanding (MoUs) with governments*

55. Templates for MoUs with governments, with or without financial contributions from WFP, were under review at the time of the audit. While COs coordinated with national planning structures using the local templates as available, they lacked mechanisms for channelling funds through government systems to ensure timeliness and to exercise controls and accountabilities. In particular, clear guidance was missing on how to pay health workers involved in implementation and/or experts at ministry level (supporting for example the roll-out of SUN structures or facilitating coordination). Where no financial contributions were involved, COs faced difficulties of building and then sustaining multi-sectorial government coordination structures.



Underlying cause(s): Insufficient adjustment of corporate tools and processes to act as efficiently under the 'changing lives' mandate as under the 'saving lives' mandate (current funding hinders longer-term commitments); lack of multi-year funds for framework contracts.

**Agreed Actions** [Medium priority]

NUT will

- i. Identify key nutrition CPs and engage in discussions that have already commenced between PD (country capacity strengthening /resilience), Private Partnership and Fundraising Division (PPR) / Public Partnerships and Resourcing Division (PPF), the NGO unit and LEG regarding contractual tools to ensure that the requirements for various types of partnerships in nutrition interventions are considered in the format and content of revised templates and procedural guidance; and
- ii. As part of a cross-functional effort, develop and issue additional operational guidance for implementing negotiated strategic partnerships with Unicef, the Rome-Based Agencies and other key partners, ensuring dissemination beyond the nutrition community.

**Timeline for implementation**

31 July 2020

**Observation 4 : Improvements required to frameworks for evidence generation and reporting**

56. Beyond the information, structure-related challenges outlined in Observation 1, the audit noted various lost opportunities for evidence generation in a yet to mature M&E set-up for nutrition.

*Results monitoring*

57. The collection of relatively new CRF results indicators (such as Minimum Acceptable Diet [MAD] and Minimum Dietary Diversity for Women [MDD-W]) was noted to be challenging, requiring M&E and nutrition expertise. Necessary investment in surveys and baselines was not always adequate and/or timely. Such indicators were then not necessarily well-anchored in National Systems or the SDG agenda, e.g. in the way the World Health Organization (WHO)/Unicef's indicators are generally part of National Health Information Systems (NHIS)<sup>13</sup>. However, they did still generate interest from government counterparts.

58. As highlighted in Observation 1, despite WFP's recognition as a facilitator and enabler, insufficient evidence was collected and used to support the reporting of contributions to the results of others, or to substantiate efficiency gains or other positive results from integration efforts. For SBCC and country capacity strengthening-focused activities, CRF indicators were not meaningful and countries reviewed during the audit struggled to define and implement theories of change. While the CRF offers indicators for nutrition-sensitive programmes, the effectiveness of related evidence collection depended on nutritionists' follow-up and guidance. Another potential consequence of a framework that primarily has the CRF and standard reporting in view was that M&E requirements per donor contribution agreement were not always well integrated, resulting in data not being available on a timely basis, or requiring unnecessary extra efforts to collect.

*Lack of guidance on use of and support to national systems*

59. While evidence was increasingly generated through operational research and studies, and new tools were promoted to facilitate data collection (allowing for better access to data), the use of this information for evidence-based decision making remained poorly documented. Data generated through NHIS (largely manual) was not

<sup>13</sup> In all countries visited, the national government partners OIGA met voiced interest in WFP supporting M&E strengthening, including with respect to additional information on programme performance / process monitoring (as opposed to statistical data NHIS strengthening by WHO/Unicef); the Niger audit report highlights that the lack of data following a WHO digitalization project of the NHIS negatively impacted WFP/Unicef data collection.



consistently and adequately quality assessed for its reliability. While there was a demand from government partners for WFP to help strengthen capacity in the generation and use of data and evidence for nutrition-specific and nutrition-sensitive interventions, this remained complex and challenging without a corporate position and direction for COs to consider in nutrition activity design or M&E strategy formulation.

*Process monitoring and identification of internal room for improvement*

60. The audit observed that in-country monitoring plans and strategies were not sufficiently adapted for some nutrition interventions, hindering nutrition-specific process monitoring (which was not sufficiently different from GFD monitoring). Despite the policy shift to the availability of nutritious and safe food, the traceability of special nutritious food and monitoring of local production and markets was still in its infancy. Similarly, the monitoring of WFP's food baskets to compare their composition (as recommended by nutritionists following FNG or similar analysis), with the composition ultimately decided based on resourcing outlooks and other considerations<sup>14</sup>, and with the actual food basket beneficiaries received, remained focused on commodities rather than nutrients (such as WFP's pipeline tools).

Underlying cause(s): Skills and resourcing gaps; insufficiently clear corporate direction and guidance on how to prioritize and organize monitoring efforts and evidence generation in support of governments and to satisfy donors.

**Agreed Actions** [High priority]

NUT will:

- i. Increase support and oversight to ensure budget allocation and prioritisation of M&E for nutrition at corporate level, focusing on relevant indicators and performance measures for activities outlined in the CSPs, with a special focus on nutrition-sensitive activities, and with consideration where possible for structural integration with government systems. This will be achieved for example by introducing guidance on how WFP can leverage on and enhance national data systems, including for indicators such as MDDW, MAD and Food Consumption Score Nutritional Analysis (FCS-N);
- ii. Provide guidance on which evidence is better collected through operational research/focused studies and what level of investment in continuous monitoring is adequate in light of funding/structural requirements; and
- iii. Increase coordination with the Research, Assessment and Monitoring Division (RAM) at headquarters level to improve corporate analysis of WFP's approaches and offerings (such as the food basket) with a nutrition lens, and support this coordination to be replicated at CO-level.

**Timeline for implementation**

30 September 2020

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<sup>14</sup> New guidance available to guide COs in using recommendations from both FNG/Cost of the Diet and the Essential Needs Approach/Minimum Expenditure Basket.



## C: Resource management

61. The latest Nutrition Policy Evaluation identified financing and staffing as major constraints to fulfilling the 2012 Policy objectives. Therefore, to finance the desired scale-up of nutrition action, new and innovative solutions to provide the required institutional and human capacity need to be found.

62. With efforts acknowledged in fundraising and expanding the donor base (nutrition features prominently in WFP's new private-sector partnerships and fundraising strategy 2020–2025), and the extensive engagement of the WFP Executive Board during the Policy approval process, the audit focused on downstream resource management controls. To attract multi-year and nutrition-focused financing, including for integrated activities or interventions delivered in partnership with others, meeting the expectations of those who provided these types of resources was considered key. Unless very specific to nutrition, structural weaknesses for financing WFP's 'changing lives' agenda which are pending actions from earlier audit reports are not repeated here.

63. The audit noted investment in rolling out a costing tool for treatment and prevention activities as well as other efforts to enhance value for money analysis (which as outlined in Observation 1 is not facilitated by WFP's corporate information structures).

64. The audit found major improvements in the area of human resources. The use of the Fit Pool and insourcing of specialized skills (senior consultants) substantially enhanced WFP's credibility. The skills enhancement goes beyond increased staffing levels and grades, with a substantial improvement in the in-house training offered as well as capacity building for partners (including the launch of nut<sup>x</sup>, WFP Nutrition's learning platform, designed to share WFP's experience, lessons learned and research on nutrition free of charge). The skills enhancement has been achieved without an increase of the NUT's programme and administrative support budget allocation.

### Observation 5: Adaptations to resource management practices and tools required

65. As a consequence of Observations 1 and 2, the audit noted cases where COs had difficulties in adhering to stipulations within donor agreements. Where COs made the choice to place nutrition interventions as a sub activity under SO1 of the CSP to tap into funding, the audit observed that not only results and progress monitoring (refer to Observation 4) but also the costing model – which for nutrition interventions differs from GFD – were more challenging to maintain and to monitor.

66. FLA budgets are traditionally tonnage-based, given their original design to serve GFD-based activities, and were observed to be ill-suited to nutrition interventions:

- lower volumes of food and higher rates provided a disincentive for CPs to return undistributed commodities and were generally not attractive; and
- fully itemised budgets were not a standard approach for FLAs. If present, these would allow (a) for better oversight over cost categories that ensure important controls for nutritious food (such as adequate warehousing) and programme results (such as SBCC and other activities required to accompany distributions); and (b) coordination with others working with the same CPs, which is critical for the implementation of simplified protocols and outreach to new donors (refer to Observation 3).

67. Treatment should not be affected by pipeline breaks. However, there is a lack of a mechanism such as a thematic advance financing facility to tap into under pre-defined conditions, resulting in administrative inefficiencies and risks of programme interruption. In certain contexts, this has potentially life-threatening effects and represents serious reputational risks to WFP's service provider role in nutrition.

Underlying cause(s): Non-emergency funding and delivery in partnerships requiring resource management practices that deviate from those of an emergency response; corporate processes and tools not always adapted.





**Agreed Actions** [Medium priority]

NUT will:

- i. Work with PPR/PPF to identify nutrition-specific donor requirements and incorporate these into guidance and tools as developed for Observation 2 and 4, ensuring that WFP is well positioned to negotiate and comply with stipulations in donor agreements;
- ii. Continue the roll-out of the costing tool, focusing on key nutrition CPs; and
- iii. Liaise with CPP to consider establishing a thematic advance financing facility for nutrition and the option of allowing fully itemized FLA budgets, accompanied with adequate guidance and oversight, based on the learning from action 5(ii).

**Timeline for implementation**

28 February 2021



## D: Support functions

68. While in-depth testing of support function and businesses process controls that support the delivery of nutrition-specific and nutrition-sensitive activities was not in the scope of this assignment, the testing of structural arrangements and programme implementation controls (refer to the sections on governance and delivery) identified control weaknesses which challenged the shifts foreseen by the 2017 Nutrition Policy in areas not under the direct responsibility of NUT.

69. Leveraging WFP's supply chain expertise, from market knowledge and insights on food availability and prices to providing quality assurance and capacity strengthening results ensuring adequate transport and warehousing, is critical for achieving Nutrition Policy objectives to improve the availability of, access to, and demand for safe and nutritious foods. The audit noted that with a newly approved Local Food Procurement Policy and increased collaboration between the Supply Chain Operations Division (SCO), including food quality and safety experts, and NUT, corporate processes and controls were in the process of being adjusted to support Nutrition Policy objectives.

### Observation 6: Supply chain support to Nutrition Policy objectives

70. At country level, the audit noted that the extent to which the decision making by supply chain staff (food basket composition, sourcing of special nutritious food (SNF), quality of pipeline communication and similar issues) was supportive of the objective to make WFP's programmes more nutrition-sensitive depended largely on local leadership and structures put in place for coordinated decision making (refer to Observation 2). However, the effectiveness of delivery of nutrition-specific activities was also very much influenced by local structures, such as dedicated supply chain staff or matrix reporting put in place by CO leadership.

#### *Transport/Warehousing*

71. The audit noted that nutrition-specific requirements in countries with bulk GFD were not prioritized, negatively impacting programme delivery (from administrative inefficiencies to hampering continuity of treatment interventions). At the same time, there were risks that supply chain or food quality and safety experts were not sufficiently supportive of country capacity strengthening efforts in nutrition, in areas such as food fortification, quality assurance over or reinforcing of government food handling and general policy influencing. This was the case both for specific country capacity strengthening activities and in nutrition activities that leveraged national systems (refer to Observation 4 on the lack of related monitoring, resulting in an under-reporting of the potentially important role of the WFP supply chain).

#### *Procurement*

72. The sourcing strategy for SNF was still in its infancy during the audit period, which resulted in a limited supplier base and risks of pipeline breaks for COs distributing SNF.

#### *Pipeline breaks*

73. Pipeline breaks and related late communication can result in credibility risks, jeopardising the view of WFP as the partner of choice for nutrition interventions. In a number of the countries OIGA visited, it was observed that pipeline communication could be improved (refer also to Observation 4).

Underlying cause(s): Staffing levels and reporting lines dependent on funding availability and remaining at the discretion of Country Directors; insufficient consideration of nutrition programme priorities in sourcing decisions (partially addressed by Local Procurement Policy).

#### **Agreed Actions** [Medium priority]

NUT, in collaboration with SCO, will:

- i. Further foster collaboration between supply chain staff and nutritionists, rolling out materials through e-learning or other channels;



- ii. Formalize processes so that nutrition is fully integrated in planning and sourcing decisions at regional and country levels, including being part of supply chain working groups; and
- iii. Continue to engage a SNF working group and implement further joint missions to address SNF bottlenecks in the field.

**Timeline for implementation**

31 October 2020



## E: External relations, partnership and advocacy

74. Coordinated partnerships, identified as a cornerstone of WFP's engagement in nutrition, and focused communication to adequately position WFP in this environment were identified as key controls for implementing WFP's Nutrition Policy and thus were reviewed in all countries visited. The audit tested the adequacy of tools for strategic decision making on positioning WFP, with due consideration of the partner landscape (refer to Observation 2 on workforce planning) and on controls for downstream joint or coordinated programme implementation (refer to Observations 3 and 4 in the delivery section). All country visits included meetings with key partners and stakeholders to solicit feedback and to test WFP's participation in coordination mechanisms and contributions to joint outreach, advocacy and fundraising efforts.

75. The audit noted efforts in coordination with key partners along the continuum of care (such as a long-standing MoU with Unicef and new protocols under preparation) and for ensuring participation in various coordination fora and networks. For the latter, WFP had a facilitator role in several countries visited for others to participate in multi-stakeholder discussions (such as the SUN Business Network). OIGA also noted an increase in operational research published in journals and specialist fora, and important investments in WFP's contribution to evidence generation through conferences, flagship reports and nutrition networks.

### Observation 7: Inadequate tools and templates for nutrition reporting and advocacy

76. The audit noted that, where COs produced reports, research, training material or communication and advocacy products, corporate communication platforms and formats did not convey the image of a relevant actor in the nutrition domain. Search engine results featured jointly implemented activities more prominently on partners' websites; use of social media required important CO staffing commitments; and the Annual Country Report and other standard reports were not adequate to transmit the story of WFP's role in nutrition and did not encourage more regular reporting on progress and repositioning of WFP with the solutions the organization offers.

77. Lacking a corporate communication strategy and outreach support, COs were required to commit extra resources to proposal writing and for the preparation of advocacy material for meetings with donors and stakeholders. These are scarce resources that could be better utilized in programme delivery and coordination with partners.

Underlying cause(s): Refer to causes identified in Observations 1, 2 and 4 regarding the need for the right information to be at hand for advocacy work and for the right structures to be in place to produce them; and a lack of corporate focus.

#### Agreed Actions [Medium priority]

NUT will:

- i. Collaborate with the Communications, Advocacy and Marketing (CAM) and PPF and PPR divisions on a global nutrition advocacy and outreach strategy, clarifying corporate expectations on where COs should place efforts in joint advocacy and fundraising with strategic partners, and in which areas the profile and added value of WFP as a core contributor in the nutrition landscape needs sharpening; and
- ii. Provide COs with templates and guidance developed therewith (where necessary also staffing support) for better external communication and advocacy, with a special focus on integrated (nutrition-sensitive) programmes that improve nutrition.

#### Timeline for implementation

31 October 2020



## Annex A – Summary of observations

The following tables show the categorization, ownership and due date agreed with the auditee for all the audit observations raised during the audit. This data is used for macro analysis of audit findings and monitoring the implementation of agreed actions.

Categories for aggregation and analysis:						
High priority observations	WFP's Internal Audit Universe	WFP's Governance, Risk & Control logic:		Implementation lead	Due date(s)	
		Risks (ERM)	Processes (GRC)			
1	Nutrition activities poorly reflected in financial and performance information architecture	Knowledge & information management	IT & Communications risks	Intervention planning Resource mobilization and Partnerships	PD	31 January 2020
4	Improvements required to frameworks for evidence generation and reporting	Monitoring & evaluation	Business model risks	Performance management	NUT	30 September 2020
Categories for aggregation and analysis:						
Medium priority observations	WFP's Internal Audit Universe	WFP's Governance, Risk & Control logic:		Implementation lead	Due date(s)	
		Risks (ERM)	Processes (GRC)			
2	Need to align staffing structures and workforce planning to in-country complexities	Human resources management	Governance & oversight risks	Human resources	NUT PD	(a) 30 September 2020 (b) 30 September 2020
3	Weaknesses in corporate tools and processes for delivering in partnership	Host government relations NGO partnerships	Partner and vendor risks	Resource mobilization and Partnerships	NUT	31 July 2020
5	Adaptations to resource management practices and tools required	Contributions & donor funding management	Breach of obligations Programme risks	Finance and budget	NUT	28 February 2021
6	Supply chain support to Nutrition Policy objectives	Service provision & platform activities	Business process risks	Intervention planning	NUT	31 October 2020



Medium priority observations	Categories for aggregation and analysis:			Implementation lead	Due date(s)
	WFP's Internal Audit Universe	WFP's Governance, Risk & Control logic: Risks (ERM)	Processes (GRC)		
7 Inadequate tools and templates for nutrition reporting and advocacy	Communication & advocacy	Programme risks	Resource mobilization and Partnerships	NUT	31 October 2020

## Annex B – Definitions of audit terms: ratings & priority

### 1 Rating system

The internal audit services of UNDP, UNFPA, UNICEF, UNOPS and WFP adopted harmonized audit rating definitions, as described below:

**Table B.1: Rating system**

Rating	Definition
Effective / satisfactory	The assessed governance arrangements, risk management and controls were adequately established and functioning well, to provide reasonable assurance that issues identified by the audit were unlikely to affect the achievement of the objectives of the audited entity/area.
Partially satisfactory / some improvement needed	The assessed governance arrangements, risk management and controls were generally established and functioning well but needed improvement to provide reasonable assurance that the objective of the audited entity/area should be achieved. Issue(s) identified by the audit were unlikely to significantly affect the achievement of the objectives of the audited entity/area. Management action is recommended to ensure that identified risks are adequately mitigated.
Partially satisfactory / major improvement needed	The assessed governance arrangements, risk management and controls were generally established and functioning, but need major improvement to provide reasonable assurance that the objectives of the audited entity/area should be achieved. Issues identified by the audit could negatively affect the achievement of the objectives of the audited entity/area. Prompt management action is required to ensure that identified risks are adequately mitigated.
Ineffective / unsatisfactory	The assessed governance arrangements, risk management and controls were not adequately established and not functioning well to provide reasonable assurance that the objectives of the audited entity/area should be achieved. Issues identified by the audit could seriously compromise the achievement of the objectives of the audited entity/area. Urgent management action is required to ensure that the identified risks are adequately mitigated.

### 2 Priority of agreed actions

Audit observations are categorized according to the priority of agreed actions, which serve as a guide to management in addressing the issues in a timely manner. The following categories of priorities are used:

**Table B.2: Priority of agreed actions**

High	Prompt action is required to ensure that WFP is not exposed to high/pervasive risks; failure to take action could result in critical or major consequences for the organization or for the audited entity.
Medium	Action is required to ensure that WFP is not exposed to significant risks; failure to take action could result in adverse consequences for the audited entity.
Low	Action is recommended and should result in more effective governance arrangements, risk management or controls, including better value for money.

Low priority recommendations, if any, are dealt with by the audit team directly with management. Therefore, low priority actions are not included in this report.

Typically audit observations can be viewed on two levels: (1) observations that are specific to an office, unit or division; and (2) observations that may relate to a broader policy, process or corporate decision and may have broad impact.<sup>15</sup>

<sup>15</sup> An audit observation of high risk to the audited entity may be of low risk to WFP as a whole; conversely, an observation of critical importance to WFP may have a low impact on a specific entity, but have a high impact globally.

To facilitate analysis and aggregation, observations are mapped to different categories:

### 3 Categorization by WFP’s audit universe

WFP’s audit universe<sup>16</sup> covers organizational entities and processes. Mapping audit observations to themes and process areas of WFP’s audit universe helps prioritize thematic audits.

**Table B.3: WFP’s 2019 audit universe (themes and process areas)**

A	Governance	Change, reform and innovation; Governance; Integrity and ethics; Legal support and advice; Management oversight; Performance management; Risk management; Strategic management and objective setting.
B	Delivery	(Agricultural) Market support; Analysis, assessment and monitoring activities; Asset creation and livelihood support; Climate and disaster risk reduction; Emergencies and transitions; Emergency preparedness and support response; Malnutrition prevention; Nutrition treatment; School meals; Service provision and platform activities; Social protection and safety nets; South-south and triangular cooperation; Technical assistance and country capacity strengthening services.
C	Resource Management	Asset management; Budget management; Contributions and donor funding management; Facilities management and services; Financial management; Fundraising strategy; Human resources management; Payroll management; Protocol management; Resources allocation and financing; Staff wellness; Travel management; Treasury management.
D	Support Functions	Beneficiary management; CBT; Commodity management; Common services; Constructions; Food quality and standards management; Insurance; Operational risk; Overseas and landside transport; Procurement – Food; Procurement - Goods and services; Security and continuation of operations; Shipping - sea transport; Warehouse management.
E	External Relations, Partnerships and Advocacy	Board and external relations management; Cluster management; Communications and advocacy; Host government relations; Inter-agency coordination; NGO partnerships; Private sector (donor) relations; Public sector (donor) relations.
F	ICT	Information technology governance and strategic planning; IT Enterprise Architecture; Selection/development and implementation of IT projects; Cybersecurity; Security administration/controls over core application systems; Network and communication infrastructures; Non-expendable ICT assets; IT support services; IT disaster recovery; Support for Business Continuity Management.
G	Cross-cutting	Activity/project management; Knowledge and information management; M&E framework; Gender, Protection, Environmental management.

### 4 Categorization by WFP’s governance, risk & compliance (GRC) logic

As part of WFP’s efforts to strengthen risk management and internal control, several corporate initiatives and investments are under way. In 2018, WFP updated its Enterprise Risk Management Policy,<sup>17</sup> and began preparations for the launch of a risk management system (Governance, Risk & Compliance – GRC – system solution).

As a means to facilitate the testing and roll-out of the GRC system, audit observations are mapped to the new risk and process categorizations as introduced<sup>18</sup> by the Chief Risk Officer to define and launch risk matrices, identify thresholds and parameters, and establish escalation/de-escalation protocols across business processes.

**Table B.4: WFP’s new ERM Policy recognizes 4 risk categories and 15 risk types**

1	Strategic	1.1 Programme risks, 1.2 External Relationship risks, 1.3 Contextual risks, 1.4 Business model risks
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<sup>16</sup> A separately existing universe for information technology with 60 entities, processes and applications is currently under review, its content is summarized for categorization purposes in section F of table B.3.

<sup>17</sup> WFP/EB.2/2018/5-C

<sup>18</sup> As per 1 January 2019, subsequent changes may not be reflected in 2019 audit reports.



2	Operational	2.1 Beneficiary health, safety & security risks, 2.3 Partner & vendor risks, 2.3 Asset risks, 2.4 ICT failure/disruption/attack, 2.5 Business process risks, 2.6 Governance & oversight breakdown
3	Fiduciary	3.1 Employee health, safety & security risks, 3.2 Breach of obligations, 3.3 Fraud & corruption
4	Financial	4.1 Price volatility, 4.2 Adverse asset or investment outcomes

**Table B.5: The GRC roll-out uses the following process categories to map risk and controls**

1	Planning	Preparedness, Assessments, Interventions planning, Resource mobilization and partnerships
2	Sourcing	Food, Non-food, Services
3	Logistics	Transportation, Warehousing
4	Delivery	Beneficiaries management, Partner management, Service provider management, Capacity strengthening, Service delivery, Engineering
5	Support	Finance, Technology, Administration, Human resources
6	Oversight	Risk management, Performance management, Evaluation, Audit and investigations

## 5 Monitoring the implementation of agreed actions

The Office of Internal Audit (OIGA) tracks all medium and high-risk observations. Implementation of agreed actions is verified through OIGA’s system for the monitoring of the implementation of agreed actions. The purpose of this monitoring system is to ensure management actions are effectively implemented within the agreed timeframe to manage and mitigate the associated risks identified, thereby contributing to the improvement of WFP’s operations.

OIGA monitors agreed actions from the date of the issuance of the report with regular reporting to senior management, the Audit Committee and the Executive Board. Should action not be initiated within a reasonable timeframe, and in line with the due date as indicated by Management, OIGA will issue a memorandum to Management informing them of the unmitigated risk due to the absence of management action after review. The overdue management action will then be closed in the audit database and such closure confirmed to the entity in charge of the oversight.

When using this option, OIGA continues to ensure that the office in charge of the supervision of the Unit who owns the actions is informed. Transparency on accepting the risk is essential and the Risk Management Division is copied on such communication, with the right to comment and escalate should they consider the risk accepted is outside acceptable corporate levels. OIGA informs senior management, the Audit Committee and the Executive Board of actions closed without mitigating the risk on a regular basis.



## Annex C – Acronyms

CFS	Committee on World Food Security
CO	Country Office
COMET	Country Office Tool for Managing (programme operations) Effectively
CP	Cooperating Partner
CPP	Corporate Planning and Performance Division
CRF	Corporate Results Framework
CSP	Country Strategic Plan
ERM	Enterprise Risk Management
FCS-N	Food Consumption Score Nutritional Analysis
FLA	Field Level Agreement
FNG	Fill the Nutrient Gap
GFD	General Food Distribution
GRC	Governance, Risk and Control
(I)NGO	(International) Non-Governmental Organization
IRM	Integrated Road Map
LEG	Legal Office
M&E	Monitoring and Evaluation
MAD	Minimum Acceptable Diet
MDD-W	Minimum Dietary Diversity for Women
MoU	Memorandum of Understanding
NHIS	National Health Information System
NUT	Nutrition Division
OIGA	Office of Internal Audit
PD	Programme Division
PPF	Private Partnership and Fundraising Division
PPR	Public Partnerships and Resourcing Division
RB	Regional Bureau
RAM	Research, Assessment and Monitoring Division
SBCC	Social Behavioural Change Communication
SCO	Supply Chain Operations Division
SCOPE CODA	SCOPE CODA gives a digital identity to patients and tracks healthcare services, replacing paper-and-pen records, ration cards and reports in healthcare centres with a personalized smartcard linked to an electronic database.
SDG	Sustainable Development Goal
SO	Strategic Objective

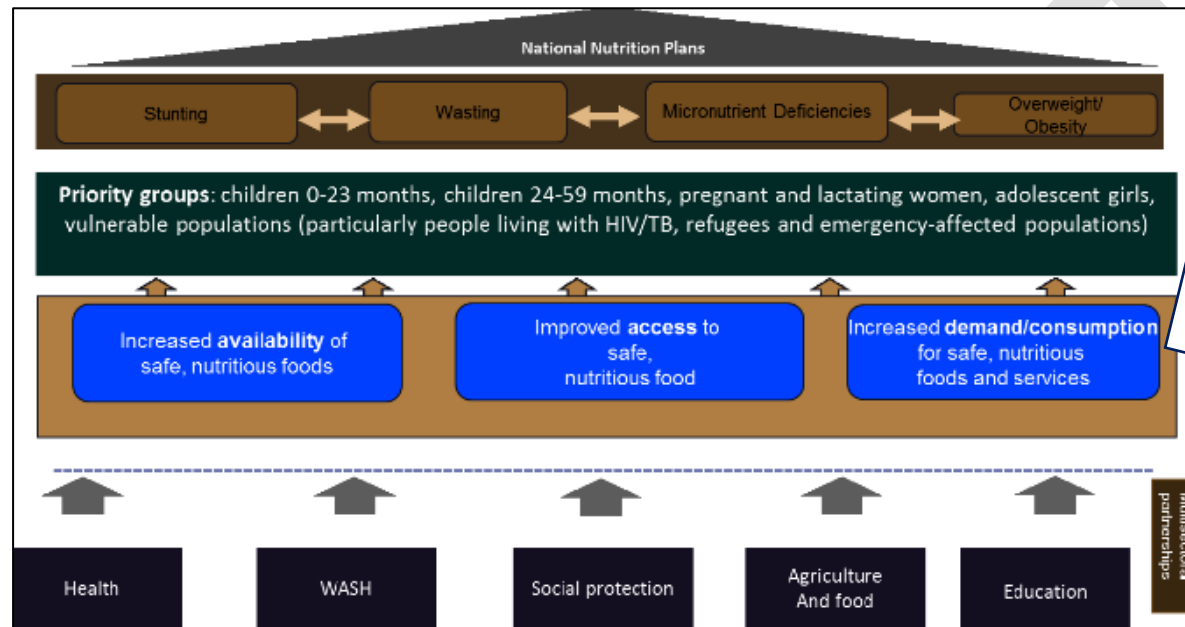


**Office of the Inspector General | Office of Internal Audit**

SUN	Scaling Up Nutrition
UN	United Nations
UNSDCF	United Nations Sustainable Development Cooperation Framework
WFP	World Food Programme

## Annex D – Three key areas to improve nutrition

WFP works with governments and partners to improve nutrition across three key areas:



Depending on the context – from immediate humanitarian support to longer-term development interventions – WFP works with governments and partners to improve nutrition across three key areas:

**Improving the availability of nutritious foods:** With expertise in supply-chain management, WFP promotes the availability of affordable, nutritious foods. For example, WFP might work with local businesses to ensure that complementary foods for children are available in the market, or support governments and the private sector to fortify staple foods with vitamins and minerals.

**Improving access to nutritious foods:** While nutritious food may be available, people may not be able to access them because of any number of barriers. WFP is working to improve access by, for example, supporting targeted voucher programmes to buy nutrient-dense foods, or helping governments integrate certain foods (like fortified rice) into social safety net programmes. WFP also provides access through the direct delivery of nutritious foods, including specialized nutritious foods.

**Improving demand for nutritious foods:** Provided that nutritious foods are both available and accessible, sufficient demand is also a must for healthy and diverse diets. WFP is increasing demand for nutritious foods by providing targeted social and behaviour change communication and counselling, to encourage good nutrition behaviours such as choosing a diverse diet, and using social marketing to deliver nutrition messages.